

Auditing Procedures Report

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Issued under Public Act 2 of 1998, as amended

Unit Name	DUNDEE TOWNSHIP	County	MONROE	Type	TOWNSHIP	MuniCode	581040
Condon Date	08/06/08	Audit Submitted	08/26/08	Fiscal Year	03/31/08		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/>	18. Are there reported deficiencies?
<input checked="" type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$835,589.00
General Fund Expenditure:	\$635,351.00
Major Fund Deficit Amount:	\$0.00

General Fund Balance:	\$624,514.00
Governmental Activities Long-Term Debt (see instructions):	\$1,380,000.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	PETER	Last Name	CARLTON	Ten Digit License Number				1101006575	
CPA Street Address	ONE SOUTH MONROE ST	City	MONROE	State	MI	Zip Code	48161	Telephone	241-7200
CPA Firm Name	COOLEY HEHL WOHLGAMUTH	Unit's Street Address	1179 MAIN STREET	City	DUNDEE	Zip Code	48131		

TOWNSHIP OF DUNDEE
Monroe County, Michigan
ANNUAL FINANCIAL REPORT
March 31, 2008

TOWNSHIP OF DUNDEE

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**COOLEY HEHL
WOHLGAMUTH & CARLTON**
P. L. L. C. Certified Public Accountants

James R. Cooley, CPA
David K. Hehl, CPA
Robert W. Wohlgamuth, CPA
Peter H. Carlton, CPA
Matthew D. Hehl, CPA
Deborah A. Sabo, CPA

One South Monroe Street • Monroe, Michigan 48166-2281
Telephone: (734) 241-7200 • Fax: (734) 241-2637
www.chwcpa.com

Members:
American Institute of Certified Public Accountants
Michigan Association of Certified Public Accountants
Division for CPAs in the American Institute of
Certified Public Accountants

Independent Auditor's Report

Township Board
Township of Dundee
Monroe County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Dundee, Monroe County, Michigan as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Dundee, Monroe County, Michigan management. Our responsibility is to express opinions on these financial statements based on our audit.

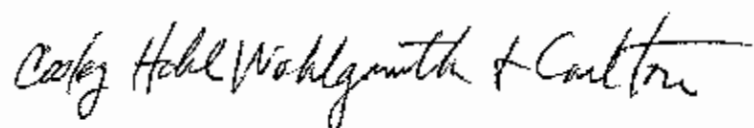
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Dundee, Monroe County, Michigan as of March 31, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 32 through 34, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Township Board
Township of Dundee

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Dundee, Monroe County, Michigan basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, reading "Corey Hohl Wohlgemuth & Carlton". The signature is written in a cursive, flowing style.

June 6, 2008

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis Year Ended March 31, 2008

This section of the Township of Dundee's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2008. Please read it in conjunction with the Township's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the Township's revenues and expenditures by program for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and Permanent Fund.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Township of Dundee financially as a whole. The *Government-Wide Financial Statements*, which include the statement of Net Assets and the Statement of Activities, provide information about the activities of the Township as a whole and presents both a short-term and a long-term view of those finances. The *Fund Financial Statements* provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The *Fund Financial Statements* report the Township's operations in more detail than the *Government-Wide Financial Statements* by providing information about the Township's most significant funds – the General Fund, the Fire Millage Special Revenue Fund, the Meanwell/Eggert Road, Dixon Road, Irish/Meanwell Road and Wells Road Water Debt Funds, and Road Millage Capital Projects Fund. All other funds are presented in one column as nonmajor funds. The remaining statements, the Statement of Fiduciary Net Assets, presents financial information about activities for which the Township acts solely as an agent for the benefit of the public. The following summary illustrates how the various parts of this annual report are arranged:

Management's Discussion and Analysis (MD&A) (Required Supplemental Information)

Basic Financial Statements

Government-Wide Financial Statements Fund Financial Statements

Notes to the Basic Financial Statements

Budgetary Information for Major Funds (Required Supplemental Information)

Other Supplemental Information

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities (pages 10-11), which appear first in the Township's financial statements, report information on the Township as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Township's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the Township's operating results. However, the Township's goal is to provide services to our residents, not to generate profits as commercial entities do.

One must consider many other non-financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Township.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis *Year Ended March 31, 2008*

Government-Wide Financial Statements -Concluded

The Statement of Net Assets and Statement of Activities report the governmental activities for the Township, which encompass all of the Township's services, including general government services, public safety, public works, culture and recreation. Property taxes, state grants, charges for services, and capital contributions finance most of these activities.

Fund Financial Statements

The Township's Fund Financial Statements (pages 12-18) provide detailed information about the most significant or "major" funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The Township's two types of funds, governmental and fiduciary, use different accounting approaches as described below:

Governmental funds – All of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation format in the financial section on pages 14 and 17.

Fiduciary funds – An Agency Fund is used to account for assets held by the Township as an agent for the collection and disbursement of property taxes.

Financial Highlights

The 2007-2008 fiscal year brought many improvements to the Township:

- Preliminary work on a major township bridge at a cost of \$19,600.
- The delivery of a 2007 Pierce Pumper Firetruck with a balance paid of \$164,000.
- Extensive drainage work on Alford Road totaling \$30,000.
- Phase II of the replacement of the library building windows at a cost of \$12,500.
- A major cemetery perimeter cleanup totaled \$6,000.
- Negotiations finalized on a 25 acre extractive pond project that will span a five year period.
- The Township has deposited \$50,000 into the improvement fund in anticipation of a new fire hall.
- Road test sites using slag, fabric, and stone combinations were used on roads experiencing the most deterioration.
- Stoning projects totaling \$75,000 have upgraded many roads in the Township.
- The Township was responsible for overseeing four major elections this fiscal year.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis Year Ended March 31, 2008

Government-Wide Financial Analysis

Recall that the Statement of Net Assets provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net assets as of March 31, 2008:

Table 1:

Condensed Statement of Net Assets March 31,

	Governmental Activities	
	2008	2007
Current and other assets	\$3,670,019	\$3,259,279
Capital assets, net	<u>2,247,929</u>	<u>2,229,517</u>
Total Assets	<u>5,917,948</u>	<u>5,488,796</u>
Current and other liabilities	123,104	124,712
Long-term liabilities	<u>1,300,000</u>	<u>1,380,000</u>
Total Liabilities	<u>1,423,104</u>	<u>1,504,712</u>
Net Assets		
Invested in capital assets, net of related debt	867,929	769,517
Restricted	2,755,132	2,550,210
Unrestricted	<u>871,783</u>	<u>664,357</u>
Total Net Assets	<u>\$4,494,844</u>	<u>\$3,984,084</u>

As depicted in Table 1, the Township's net assets were \$4.49 million at March 31, 2008. Of this amount, a positive \$871,783 was unrestricted. This amount represents the *accumulated* results of all past years' operations. The unrestricted net asset balance is used for working capital and cash flow needs as well as to provide for future growth and uncertainties. It means that if we had to pay off all our bills *today*, including all of our noncapital liabilities we could with our current resources. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the Township as a whole are reported in the Statement of Activities. Table 2 shows the changes in the net assets for the calendar year ended March 31, 2008.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis *Year Ended March 31, 2008*

Governmental-Wide Financial Analysis - Concluded

Table 2:

Changes in Net Assets Year Ended March 31,

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Revenues		
Program revenues:		
Charges for services	\$ 216,244	\$ 211,409
Operating grants	1,036	923
Capital grants and contributions	<u>10,240</u>	<u>22,840</u>
	227,520	235,172
General revenues:		
Property taxes	1,048,328	938,546
State grants	196,975	199,031
Other general revenues	<u>152,803</u>	<u>147,649</u>
	<u>1,398,106</u>	<u>1,285,226</u>
 Total Revenues	 1,625,626	 1,520,398
Functions/Program Expenses		
Legislative	30,461	30,527
General government	354,545	356,154
Public safety	299,039	267,567
Public works	350,260	343,904
Recreation and culture	23,490	22,597
Interest on long-term debt	<u>57,071</u>	<u>58,586</u>
 Total Expenses	 <u>1,114,866</u>	 <u>1,079,335</u>
 Increase (Decrease) in Net Assets	 <u>\$ 510,760</u>	 <u>\$ 441,063</u>

As indicated in Table 2, the cost of *all governmental* activities this year was \$1,114,866. Of this amount, \$227,520 was subsidized with revenue generated from charges for services, grants and other contributions with the remaining costs financed with general revenues.

The Township's governmental activities experienced an increase in net assets of \$510,760. The increase in total net assets is attributable to an excess of revenue over controlled expenditures. The Township's expenditures increased 3% while revenues expanded 7%.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis *Year Ended March 31, 2008*

Fund Financial Analysis

As noted earlier, the Township uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether the Township of Dundee is being held accountable for the resources taxpayers and others provide to it and may give more insight into the Township's overall financial health.

As the Township completed this year, the governmental funds reported a combined fund balance of \$2,780,220, which is an increase of \$471,068 from last year. The changes by fund type are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Retirement Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Fund</u>	<u>Total</u>
Fund balances –						
Beginning of year	\$474,276	\$473,379	\$654,567	\$699,999	\$6,931	\$2,309,152
Increase (decrease)	<u>150,238</u>	<u>173,915</u>	<u>8,933</u>	<u>138,138</u>	<u>(156)</u>	<u>471,068</u>
Fund balances –						
End of year	<u>\$624,514</u>	<u>\$647,294</u>	<u>\$663,500</u>	<u>\$838,137</u>	<u>\$6,775</u>	<u>\$2,780,220</u>

The Township's General Fund revenues increased by \$51,685. Tax revenues were up approximately \$46,000 while licenses and permits, and charges for services both increased slightly. Property taxes and state shared revenue account for 70% of the General Fund's total revenue.

	<u>March 31, 2008</u>	<u>March 31, 2007</u>	<u>Percent Change</u>
Revenues			
Property taxes	\$386,527	\$340,733	13.44 %
Licenses and permits	33,420	32,294	3.49 %
State grants	196,975	199,031	(1.03)%
Charges for services	182,524	178,795	2.09 %
Interest and rents	21,445	21,670	(1.04)%
Other	<u>14,698</u>	<u>11,381</u>	29.15 %
Total revenues	<u>\$835,589</u>	<u>\$783,904</u>	6.60 %

The Township's General Fund expenditures decreased \$18,041. Both general government and public safety expenditures decreased while recreation and culture increased due to windows purchased for the library. General government and public safety account for 70% of the General Fund's total expenditures.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis *Year Ended March 31, 2008*

Fund Financial Analysis – Concluded

	<u>March 31,</u> <u>2008</u>	<u>March 31,</u> <u>2007</u>	<u>Percent</u> <u>Change</u>
Expenditures			
Legislative	\$ 26,583	\$ 26,875	(1.09)%
General government	290,318	295,800	(1.85)%
Public safety	152,347	169,123	(9.92)%
Public works	61,491	62,319	(1.33)%
Recreation and culture	26,352	13,050	101.93 %
Other	<u>78,260</u>	<u>86,225</u>	(9.24)%
Total Expenditures	<u>\$635,351</u>	<u>\$653,392</u>	(2.76)%

General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires the Township Board to adopt the original budget prior to April 1, the start of the fiscal year. Over the course of the year, the Township revises its budget as it attempts to deal with the unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the Township's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these statements. Revisions to the General Fund budget were as follows:

Revenues - The original budget of \$701,500 was adjusted to \$738,520. No material changes or unanticipated changes were made to the General Fund revenue budget.

Expenditures – The original budget of \$696,325 was adjusted to \$660,127. The most significant expenditure budget changes were to fire protection, and insurance and bonds as expenditures were less than anticipated.

Capital Asset and Debt Administration

Capital Assets

At March 31, 2008, the Township had \$3.49 million invested in a broad range of capital assets, including land, building and improvements, machinery and equipment, furniture and fixtures, water lines and vehicles. This amount represents a net increase (including additions and disposals) of \$190,393 from last year. This year's additions included library windows, a copy machine, a Dell desktop computer, and various fire protection equipment. Depreciation for this year totaled \$171,981. Details regarding capital assets are included in Note 7 to the financial statements.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis Year Ended March 31, 2008

Capital Asset and Debt Administration - Concluded

Debt

At March 31, 2008, the Township had four special assessment bonds outstanding totaling \$1,380,000 (Dixon Road Water - \$215,000, Meanwell/Eggert Road Water - \$365,000, Wells Road Water - \$305,000, and Irish/Meanwell Road Water - \$495,000). Details regarding long-term debt are included in Note 8 to the financial statements.

Development of the 2009 Fiscal Year Budget

Our elected officials consider many factors when setting the Township's 2009 fiscal year budget. Based primarily on the last fiscal year's spending patterns, thought is also given to important factors affecting the budget, such as State budget constraints and various needs of the Township. The Dundee Township Board has anticipated improvements in many areas of the Township for the 2009 fiscal year budget. The following are a list of some of the major targeted areas slated for improvements:

- Phase II of the repaving project for Bigelow Road which is a main artery of the Township roads at a cost of \$122,500.
- The final phase of the Wilcox Road bridge project at a cost of \$125,400.
- In order to insure the utmost safety in our fire department, one third of the turnout gear is replaced at a cost of \$1,400 per set.
- The fire department will also be purchasing a stokes basket, which will aid for the removal of victims from remote areas at a cost of \$800 and a stair chair which can be used to carry victims from upper level areas at a cost of \$500.
- The main focus of the Township Board this fiscal year will be the purchasing of property to be utilized as a fire hall.

Contacting the Township of Dundee

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate their accountability for the money it receives. If you have any questions about this report or need additional information, contact the Township of Dundee Clerk, 179 Main Street, Dundee, MI 48131.

TOWNSHIP OF DUNDEE*Statement of Net Assets
March 31, 2008*

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$2,142,578
Certificate of deposit	482,664
Receivables:	
Taxes	70,805
Accounts	10,951
Special assessments	931,430
Due from other governmental units	31,591
Depreciable capital assets, net	<u>2,247,929</u>
Total Assets	<u><u>5,917,948</u></u>
Liabilities	
Accounts payable	19,783
Accrued interest payable	23,321
Long-term liabilities:	
Due within one year	80,000
Due in more than one year	<u>1,300,000</u>
Total Liabilities	<u><u>1,423,104</u></u>
Net Assets	
Invested in capital assets, net of related debt	867,929
Restricted for:	
Public safety	383,732
Debt service	1,510,195
Capital projects fund	838,137
Cemetery care:	
Expendable	16,293
Non-expendable	6,775
Unrestricted	<u>871,783</u>
Total Net Assets	<u><u>\$4,494,844</u></u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF DUNDEE

*Statement of Activities
Year Ended March 31, 2008*

Functions/Programs	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Governmental Activities:					
Legislative	\$30,461	\$0	\$0	\$0	(\$30,461)
General government	354,545	182,524	339	0	(171,682)
Public safety	299,039	33,720	697	0	(264,622)
Public works	350,260	0	0	10,240	(340,020)
Recreation and culture	23,490	0	0	0	(23,490)
Interest on long-term debt	57,071	0	0	0	(57,071)
Total Governmental Activities	\$1,114,866	\$216,244	\$1,036	\$10,240	(887,346)
General Revenues:					
Property taxes					1,048,328
State grants					196,975
Interest and penalties					127,664
Other					25,139
Total General Revenues					1,398,106
Change in Net Assets					510,760
Net Assets - Beginning of year					3,984,084
Net Assets - End of year					\$4,494,844

See accompanying notes to the basic financial statements.

TOWNSHIP OF DUNDEE

*Governmental Funds
Balance Sheet
March 31, 2008*

	Special Revenue Fund		Debt Service Funds	
	General	Fire Millage	Meanwell / Eggert Road Water Debt	Dixon Road Water Debt
Assets				
Cash and cash equivalents	\$568,582	\$363,797	\$77,264	\$49,557
Certificate of deposit	0	0	109,350	54,676
Receivables:				
Taxes	29,939	17,841	0	0
Accounts	10,951	0	0	0
Special assessments	0	0	229,452	134,774
Due from other funds	470	0	0	0
Due from other governmental units	31,591	0	0	0
Total Assets	\$641,533	\$381,638	\$416,066	\$239,007
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$17,019	\$0	\$0	\$0
Due to other funds	0	0	0	0
Deferred revenue	0	0	214,200	121,334
Total Liabilities	17,019	0	214,200	121,334
Fund Balances				
Reserved for debt service	0	0	201,866	117,673
Reserved for capital projects	0	0	0	0
Reserved for cemetery care	0	0	0	0
Reserved for Leib Cemetery	0	0	0	0
Unreserved - reported in:				
General Fund	624,514	0	0	0
Special Revenue Funds	0	381,638	0	0
Total Fund Balances	624,514	381,638	201,866	117,673
Total Liabilities and Fund Balances	\$641,533	\$381,638	\$416,066	\$239,007

See accompanying notes to the basic financial statements.

		Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Irish / Meanwell Road Water Debt	Wells Road Water Debt	Road Millage		
\$83,191	\$44,377	\$817,876	\$137,934	\$2,142,578
94,048	89,623	0	134,967	482,664
0	0	23,025	0	70,805
0	0	0	0	10,951
348,580	218,624	0	0	931,430
0	0	0	0	470
0	0	0	0	31,591
<u>\$525,819</u>	<u>\$352,624</u>	<u>\$840,901</u>	<u>\$272,901</u>	<u>\$3,670,489</u>
\$0	\$0	\$2,764	\$0	\$19,783
0	0	0	470	470
328,146	206,336	0	0	870,016
328,146	206,336	2,764	470	890,269
197,673	146,288	0	0	663,500
0	0	838,137	0	838,137
0	0	0	16,293	16,293
0	0	0	6,775	6,775
0	0	0	0	624,514
0	0	0	249,363	631,001
<u>197,673</u>	<u>146,288</u>	<u>838,137</u>	<u>272,431</u>	<u>2,780,220</u>
<u>\$525,819</u>	<u>\$352,624</u>	<u>\$840,901</u>	<u>\$272,901</u>	<u>\$3,670,489</u>

TOWNSHIP OF DUNDEE

*Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
March 31, 2008*

Total Fund Balances - Governmental Funds		\$2,780,220
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of the capital assets	3,492,215	
Accumulated depreciation	<u>(1,244,286)</u>	2,247,929
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred revenue in the funds.		870,016
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest	(23,321)	
Bonds payable	<u>(1,380,000)</u>	<u>(1,403,321)</u>
Total Net Assets - Governmental Activities		<u>\$4,494,844</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF DUNDEE

Governmental Funds *Statement of Revenues, Expenditures, and Changes in Fund Balances* *Year Ended March 31, 2008*

	<u>Special Revenue Fund</u>		<u>Debt Service Funds</u>	
	<u>General</u>	<u>Fire Millage</u>	<u>Meanwell / Eggert Road Water Debt</u>	<u>Dixon Road Water Debt</u>
Revenues				
Property taxes and special assessments	\$386,527	\$288,926	\$16,335	\$17,173
Licenses and permits	33,420	0	0	0
State grants	196,975	0	0	0
Charges for services	182,524	0	0	0
Interest and rents	21,445	5,311	19,320	11,168
Other revenue	14,698	0	0	0
Total Revenues	835,589	294,237	35,655	28,341
Expenditures				
Legislative	26,583	0	0	0
General government	290,318	0	0	0
Public safety	152,347	174,242	0	0
Public works	61,491	0	0	0
Recreation and culture	26,352	0	0	0
Other	78,260	0	0	0
Capital projects	0	0	0	0
Debt service	0	0	34,590	24,959
Total Expenditures	635,351	174,242	34,590	24,959
Excess (Deficiency) of Revenues Over Expenditures	200,238	119,995	1,065	3,382
Other Financing Sources (Uses)				
Operating transfers in	0	0	0	0
Operating transfers out	(50,000)	0	0	0
Total Other Financing Sources (Uses)	(50,000)	0	0	0
Net Change in Fund Balances	150,238	119,995	1,065	3,382
Fund Balances - Beginning of year	474,276	261,643	200,801	114,291
Fund Balances - End of year	\$624,514	\$381,638	\$201,866	\$117,673

See accompanying notes to the basic financial statements.

		Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Irish / Meanwell Road Water Debt	Wells Road Water Debt	Road Millage		
\$21,536	\$14,848	\$372,875	\$0	\$1,118,220
0	0	0	300	33,720
0	0	0	697	197,672
0	0	0	0	182,524
24,197	18,288	30,813	7,902	138,444
0	0	0	0	14,698
45,733	33,136	403,688	8,899	1,685,278
0	0	0	0	26,583
0	0	0	4,600	294,918
0	0	0	517	327,106
0	0	0	0	61,491
0	0	0	0	26,352
0	0	0	0	78,260
0	0	261,497	0	261,497
50,380	28,074	0	0	138,003
50,380	28,074	261,497	5,117	1,214,210
(4,647)	5,062	142,191	3,782	471,068
2,032	2,039	0	50,000	54,071
0	0	0	(4,071)	(54,071)
2,032	2,039	0	45,929	0
(2,615)	7,101	142,191	49,711	471,068
200,288	139,187	695,946	222,720	2,309,152
\$197,673	\$146,288	\$838,137	\$272,431	\$2,780,220

TOWNSHIP OF DUNDEE

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended March 31, 2008*

Net Change in Fund Balances - Total Governmental Funds		\$471,068
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures;		
in the statement of activities, these costs are allocated over their		
estimated useful lives as depreciation expense.		
Depreciation expense	(171,981)	
Capital outlay	<u>190,393</u>	
		18,412
Accrued interest is recorded in the statement of activities when incurred;		
it is not reported in governmental funds until paid.		932
Revenues in the statement of activities that do not provide current financial		
resources are not reported as revenue in the funds.		(59,652)
Repayments of long term debt is an expenditure in the governmental funds,		
but not in the statement of activities (where it reduces long-term debt).		<u>80,000</u>
Change in Net Assets of Governmental Activities		<u>\$510,760</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF DUNDEE

Agency Fund
Statement of Fiduciary Net Assets
March 31, 2008

	<u>Tax Collection</u>
Assets	
Cash	<u>\$3,620</u>
Total Assets	<u><u>\$3,620</u></u>
Liabilities	
Due to other governmental units	\$1,303
Due to taxing units	<u>2,317</u>
Total Liabilities	<u><u>\$3,620</u></u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF DUNDEE

Notes to Financial Statements *Year Ended March 31, 2008*

Note 1 Description of the Township and Reporting Entity

The Township operates under a locally elected seven member Board form of government and provides the following services: public safety (fire), highways and streets, recreation and culture, public improvements, cemetery, planning and zoning, and general administrative services.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township has no component units.

Note 2 Summary of Significant Accounting Policies

The financial statements of the Township of Dundee have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Council (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the Township's accounting policies.

Basis of Presentation

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. All of the Township's government-wide activities are considered to be governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, sales of property, and other items not properly included among program revenues.

Separate financial statements are provided for governmental funds, and agency funds, even though the latter are excluded from the government-wide financial statements. Individual major governmental funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWNSHIP OF DUNDEE

Notes to Financial Statements *Year Ended March 31, 2008*

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Governmental fund expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

On the governmental funds statements, property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Agency fund statements also are reported using the economic resources measurement focus and the cash basis of accounting.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. The General Fund accounts for all financial resources of the Township, except those required to be accounted for in another fund.

The Fire Millage Fund - accounts for moneys from a voted tax levy to be used to provide fire protection equipment for the Township of Dundee Fire Department.

The Meanwell/Eggert Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Meanwell/Eggert Road.

The Dixon Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Dixon Road.

The Irish/Meanwell Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Irish/Meanwell Road.

The Wells Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Wells Road.

The Road Millage Fund accounts for monies from a voted tax levy to be used for improvements to the Township's roads and bridges.

TOWNSHIP OF DUNDEE

Notes to Financial Statements Year Ended March 31, 2008

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

The Township reports the following nonmajor governmental funds:

The Liquor Law Enforcement Fund, Improvement Revolving Fund, Cemetery Perpetual Care Fund, Irish/Meanwell Road Water Construction Fund, Wells Road Water Construction Fund, and Leib Cemetery Fund.

C. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on July 1 and December 1 of the following year. Summer taxes are considered delinquent July 31, and winter taxes are considered delinquent February 14 of the following year.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond March 31, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Township maintains a capitalization threshold of one thousand dollars and an estimated useful life in excess of one year. The Township has elected not to retroactively report infrastructure assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvement	20 years
Buildings and Buildings Improvements	10-50 years
Machinery and Equipment	3-10 years
Furniture and Fixtures	7 years
Vehicles	5 - 8 years
Water Lines	50 years

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental activities column of the statement of net assets.

TOWNSHIP OF DUNDEE

Notes to Financial Statements Year Ended March 31, 2008

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

C. Assets, Liabilities, and Net Assets or Equity (Concluded)

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans that are paid from governmental funds are recognized as an expenditure on the governmental fund financial statements when due.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Reserves and Designations - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

- D. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.
- E. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2008.
- F. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Township Board at the function level. Any budgetary modifications may only be made by resolution of the Township Board.

TOWNSHIP OF DUNDEE

Notes to Financial Statements *Year Ended March 31, 2008*

Note 2 Summary of Significant Accounting Policies (Concluded)

Basis of Presentation (Concluded)

F. Budgetary Policies (Concluded)

The Township follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

1. Prior to March 31, the fiscal officer submits to the Township Board a proposed operating budget for the fiscal year commencing on April 1.
2. A public hearing is conducted during March to obtain taxpayer comments.
3. Prior to March 31, the budget is legally enacted through passage of a resolution.
4. During the year the budget is monitored, and amendments to the budget are made when deemed necessary.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Lapsing of Appropriations - At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.

Note 3 Stewardship, Accountability and Compliance

The Township shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State Law for the General and Special Revenue Funds.

In the required supplemental information, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

Note 4 Deposits

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan. The Township Board has adopted an investment policy authorizing certain types of investments and has authorized three depositories: Monroe Bank and Trust, United Bank and Trust, and LaSalle Bank.

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At March 31, 2008, the Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States, certificates of deposit, commercial paper rated within the three highest classifications by not less than two standard rating services, United States government or federal agency obligation repurchase agreements and bankers acceptances of the United States banks.

TOWNSHIP OF DUNDEE

Notes to Financial Statements Year Ended March 31, 2008

Note 4 Deposits (Concluded)

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest rate risk. The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. The Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Township's investment policy.

Concentration of credit risk. The Township does not place any limits on the amount the Township may deposit or invest in any one issuer.

Custodial credit risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover the collateral securities in the possession of an outside party. The Township has \$2,629,956 invested in certificates of deposit, checking accounts, and money markets. The Township's deposits are insured by the FDIC in the amount of \$300,000, with uninsured deposits of \$2,329,956. The Township's deposits are at institutions with an established record of fiscal health and service. The Township Board approves and designates a list of authorized depository institutions. The Township's investment policy does not address deposit risk.

Foreign currency risk. The Township is not authorized to invest in investments which have this type of risk.

Note 5 Interfund Payables and Receivables

Such balances at March 31, 2008 were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$470	\$ -
Permanent Fund:		
Leib Cemetery	<u>-</u>	<u>470</u>
Total	\$470	<u>\$470</u>

TOWNSHIP OF DUNDEE

Notes to Financial Statements Year Ended March 31, 2008

Note 6 Interfund Transfers

Interfund transfers for the year ended March 31, 2008, consisted of the following:

	<u>Transfer Out</u>			
		<u>Capital Projects Funds</u>		
		<u>Irish/Meanwell Road Water</u>	<u>Wells Road Water</u>	
	<u>General Fund</u>	<u>Construction Fund</u>	<u>Construction Fund</u>	<u>Total</u>
<u>Transfers In:</u>				
Special Revenue Funds:				
Improvement Revolving Fund	\$50,000	\$ -	\$ -	\$50,000
Debt Funds:				
Irish/Meanwell Road Water Debt				
Wells Road Water Debt	-	2,032	2,039	4,071
Total	\$50,000	\$2,032	\$2,039	\$54,071

The transfer to the Improvement Revolving Fund from the General Fund was to set aside excess funds for the future Township Fire Hall. The Irish/Meanwell and Wells Road Water Construction Funds closed and transferred remaining funds to their respective Debt Funds.

Note 7 Capital Assets

Capital asset activity for the fiscal year ended March 31, 2008, was as follows:

	<u>Balance April 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2008</u>
Governmental Activities:				
Assets not being depreciated:				
Land	\$45,000	\$0	\$0	\$45,000
Capital assets being depreciated:				
Land improvements	18,351	0	0	18,351
Building and building improvements	642,614	12,548	0	655,162
Machinery and Equipment	243,265	14,064	0	257,329
Furniture and Fixtures	33,770	0	0	33,770
Vehicles	955,211	163,781	0	1,118,992
Water lines	1,363,611	0	0	1,363,611
Total capital assets	3,301,822	190,393	0	3,492,215
Less accumulated depreciation for:				
Land improvements	(8,118)	(985)	0	(9,103)
Building and building improvements	(286,393)	(15,189)	0	(301,582)
Machinery and Equipment	(144,418)	(29,205)	0	(173,623)
Furniture and Fixtures	(30,924)	(820)	0	(31,744)
Vehicles	(550,948)	(98,510)	0	(649,458)
Water lines	(51,504)	(27,272)	0	(78,776)
Total accumulated depreciation	(1,072,305)	(171,981)	0	(1,244,286)
Net capital assets	\$2,229,517	\$18,412	\$0	\$2,247,929

TOWNSHIP OF DUNDEE

Notes to Financial Statements
Year Ended March 31, 2008

Note 7 Capital Assets (Concluded)

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:

General government	\$ 9,414
Public safety	125,609
Public works	27,272
Recreation and culture	<u>9,686</u>

Total governmental activities \$171,981

Note 8 Long-Term Debt

The following is a summary of the long term debt as of March 31, 2008:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Original Amount of Issue</u>	<u>Balance Outstanding</u>
<u>Special Assessment Bonds:</u>					
2003 Special Assessment Bonds (General Obligation Limited Tax) Dixon Road Water	4.375%	4/1/03	5/1/05-2018	\$ 275,000	\$ 215,000
2004A Special Assessment Bonds (General Obligation Limited Tax) Meanwell/Eggert Road Water	3.25-4.50%	2/1/04	5/1/06-2023	420,000	365,000
2004B Special Assessment Bonds (General Obligation Limited Tax) Wells Road Water	2.65-5.15%	12/1/04	5/1/06-2025	335,000	305,000
2005 Special Assessment Bonds (General Obligation Limited Tax) Irish/Meanwell Roads Water	2.85-4.45%	2/1/05	5/1/06-2025	<u>550,000</u>	<u>495,000</u>
Total				<u>\$1,580,000</u>	<u>\$1,380,000</u>

TOWNSHIP OF DUNDEE

Notes to Financial Statements Year Ended March 31, 2008

Note 8 Long-Term Debt (Continued)

The following is a summary of changes in long-term debt:

	<u>Balance 3/31/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/08</u>	<u>Due In One Year</u>
<u>Special Assessment Bonds:</u>					
2003 Special Assessment Bonds (General Obligation Limited Tax) Dixon Road Water	\$ 230,000	\$ -	\$ 15,000	\$ 215,000	\$15,000
2004A Special Assessment (General Obligation Limited Tax) Meanwell/Eggert Road Water	385,000	-	20,000	365,000	20,000
2004B Special Assessment Bonds (General Obligation Limited Tax) Wells Road Water	320,000	-	15,000	305,000	20,000
2005 Special Assessment Bonds (General Obligation Limited Tax) Irish/Meanwell Roads Water	<u>525,000</u>	<u>-</u>	<u>30,000</u>	<u>495,000</u>	<u>25,000</u>
	\$1,460,000	\$ -	\$80,000	\$1,380,000	\$80,000

The following is a summary of the annual principal and interest requirements for the Township debt:

2003 Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district No. 2002-1(Dixon Road). These bonds are a general obligation of the Township and are being financed through a special assessment of \$5,600 per residential equivalent unit, levied against homeowners benefitting from the construction.

TOWNSHIP OF DUNDEE

Notes to Financial Statements Year Ended March 31, 2008

Note 8 Long-Term Debt (Continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 15,000	\$ 9,078	\$ 24,078
2010	20,000	8,313	28,313
2011	20,000	7,438	27,438
2012	20,000	6,563	26,563
2013	20,000	5,688	25,688
2014	20,000	4,813	24,813
2015	20,000	3,938	23,938
2016	20,000	3,063	23,063
2017	20,000	2,188	22,188
2018	20,000	1,313	21,313
2019	<u>20,000</u>	<u>438</u>	<u>20,438</u>
	\$215,000	\$52,833	\$267,833

2004A Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district 2003-1 (Meanwell and Eggert Roads). These bonds are a general obligation of the Township and are being financed through a special assessment of \$12,600 per residential equivalent unit levied against homeowners benefitting from the construction.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 20,000	\$ 13,715	\$ 33,715
2010	20,000	13,065	33,065
2011	20,000	12,415	32,415
2012	20,000	11,765	31,765
2013	20,000	11,115	31,115
2014	20,000	10,450	30,450
2015	20,000	9,755	29,755
2016	25,000	8,931	33,931
2017	25,000	7,975	32,975
2018	25,000	6,988	31,988
2019	25,000	5,975	30,975
2020	25,000	4,937	29,937
2021	25,000	3,875	28,875
2022	25,000	2,788	27,788
2023	25,000	1,681	26,681
2024	<u>25,000</u>	<u>563</u>	<u>25,563</u>
	\$365,000	\$125,993	\$490,993

TOWNSHIP OF DUNDEE

Notes to Financial Statements Year Ended March 31, 2008

Note 8 Long Term Debt (Continued)

2004B Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district No. 2004-1 (Wells Road). These bonds are a general obligation of the Township and are being financed through a special assessment of \$10,240 levied against homeowners benefitting from the construction.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 20,000	\$ 12,555	\$ 32,555
2010	15,000	12,014	27,014
2011	15,000	11,526	26,526
2012	20,000	10,930	30,930
2013	15,000	10,304	25,304
2014	15,000	9,730	24,730
2015	20,000	9,032	29,032
2016	15,000	8,316	23,316
2017	15,000	7,686	22,686
2018	20,000	6,932	26,932
2019	15,000	6,164	21,164
2020	15,000	5,489	20,489
2021	20,000	4,683	24,683
2022	15,000	3,861	18,861
2023	15,000	3,141	18,141
2024	20,000	2,283	22,283
2025	15,000	1,409	16,409
2026	<u>20,000</u>	<u>515</u>	<u>20,515</u>
	\$305,000	\$126,570	\$431,570

TOWNSHIP OF DUNDEE

Notes to Financial Statements Year Ended March 31, 2008

Note 8 Long Term Debt (Continued)

2005 Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district No. 2005-1 (Irish and Meanwell Roads). These bonds are a general obligation of the Township and are being financed through a special assessment of \$12,020 levied against homeowners benefiting from the construction.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 25,000	\$ 19,253	\$ 44,253
2010	30,000	18,330	48,330
2011	25,000	17,376	42,376
2012	30,000	16,385	46,385
2013	25,000	15,375	40,375
2014	30,000	14,343	44,343
2015	25,000	13,291	38,291
2016	30,000	12,218	42,218
2017	25,000	11,125	36,125
2018	30,000	10,018	40,018
2019	25,000	8,897	33,897
2020	30,000	7,763	37,763
2021	25,000	6,615	31,615
2022	30,000	5,453	35,453
2023	25,000	4,277	29,277
2024	30,000	3,088	33,088
2025	25,000	1,885	26,885
2026	<u>30,000</u>	<u>668</u>	<u>30,668</u>
	\$495,000	\$186,360	\$681,360

The annual requirements to pay principal and interest on the long-term debt outstanding at March 31, 2008, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 80,000	\$ 54,601	\$ 134,601
2010	85,000	51,722	136,722
2011	80,000	48,755	128,755
2012	90,000	45,643	135,643
2013	80,000	42,482	122,482
2014-2018	440,000	162,105	602,105
2019-2023	360,000	76,037	436,037
2024-2028	<u>165,000</u>	<u>10,411</u>	<u>175,411</u>
	\$1,380,000	\$491,756	\$1,871,756

TOWNSHIP OF DUNDEE

Notes to Financial Statements *Year Ended March 31, 2008*

Note 9 Property Tax

The Township collects its own property tax and also collects taxes for the State of Michigan, Monroe County, Summerfield Schools, Ida Public Schools, Dundee Community Schools, Britton-Macon Schools, Monroe County Community College, Monroe County Intermediate School District and Lenawee County Intermediate School District. The Township levied 0.9329 mills for general operating, 0.7500 mills for the Fire Department and 0.9679 mills for roads for the 2007-2008 fiscal year. Taxable values, which amounted to \$313,745,352, represent a percentage of the fair market value of the assessed property. The Township also receives a portion of the millage levied on property subject to an industrial facilities tax exemption with a taxable value of \$176,718,262. Property taxes are levied twice per year. A summer tax is levied on July 1, and a winter tax is levied on December 1. The tax levies are due September 14, and February 14, respectively.

For the year ended March 31, 2008, the Township billed and retained \$165,107 as administrative fees for the above tax collection.

Note 10 Employee's Pension Plan

The Township adopted a defined contribution pension plan effective January 1, 2003. The plan provides for pension benefits for all elected officials and all other employees who work more than 20 hours per week. There are no minimum age or service requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate on the first day of the plan year or a month after the plan eligibility requirements are met. The plan requires the Township to contribute 10% of the employee's compensation. Township contributions to the plan vest immediately for elected officials and are 100% vested after 3 years for all other employees.

During the current fiscal year, the Township contributed \$21,540 (10% of covered payroll) for the period April 1, 2007 to March 31, 2008. Covered payroll for this 12 month period was \$215,400. Total payroll for the current fiscal year was \$280,558. The Township also paid \$3,764 for administrative expenses.

Note 11 Compensated Absences

The Township does not have a policy of providing employees with vacation or sick pay.

Note 12 Building Department

The Township tracks building permit fees and their related costs in the General Fund. Fees for the fiscal year ending March 31, 2008, of \$33,420 did not exceed the related costs and administrative overhead.

Note 13 Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman's compensation). The Township has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

Note 14 Urban Cooperation Agreement

The Township entered into an agreement on August 5, 1997 with the Village of Dundee, which will allow the Township to continue to levy Township millages on property transferred or annexed into the Village after the date of this agreement even if the Village were to become a city. The term of the agreement is for one-hundred (100) years.

TOWNSHIP OF DUNDEE

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2008*

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
Revenues				
Taxes and special assessments:				
Current tax collection	\$339,000	\$339,000	\$359,966	\$20,966
Penalty and interest on taxes	2,000	2,000	26,561	24,561
	<u>341,000</u>	<u>341,000</u>	<u>386,527</u>	<u>45,527</u>
Licenses and permits	36,500	38,000	33,420	(4,580)
State grants:				
State shared revenue	166,000	197,000	196,975	(25)
Charges for Services:				
Tipping fees	35,000	31,000	16,117	(14,883)
Tax administration fee	82,000	82,000	165,107	83,107
Zoning and board of appeals fees	8,000	8,000	1,300	(6,700)
	<u>125,000</u>	<u>121,000</u>	<u>182,524</u>	<u>61,524</u>
Interest and rents:				
Interest income	11,000	11,000	11,004	4
Rental income	12,000	12,000	10,441	(1,559)
	<u>23,000</u>	<u>23,000</u>	<u>21,445</u>	<u>(1,555)</u>
Other revenue	10,000	18,520	14,698	(3,822)
Total Revenues	<u>701,500</u>	<u>738,520</u>	<u>835,589</u>	<u>97,069</u>
Expenditures				
Legislative:				
Township board	28,000	29,350	26,583	2,767
General Government:				
Supervisor	26,350	25,400	24,631	769
Elections	3,000	6,858	6,980	(122)
Audit	13,500	13,340	13,340	0
Assessor	87,750	84,050	80,092	3,958
Attorney	15,000	15,000	15,339	(339)
Clerk	44,000	43,600	42,545	1,055
Board of review	4,200	3,800	3,363	437
Treasurer	35,700	35,920	35,549	371
Township hall and grounds	53,800	51,350	51,030	320
Cemetery	21,950	23,324	17,449	5,875
	<u>305,250</u>	<u>302,642</u>	<u>290,318</u>	<u>12,324</u>

TOWNSHIP OF DUNDEE

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2008*

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
Expenditures (Concluded)				
Public safety:				
Fire protection	\$134,000	\$109,185	\$108,429	\$756
Building inspection	37,850	35,850	32,369	3,481
Ordinance enforcer	3,925	3,925	2,904	1,021
Planning commission	12,900	10,100	7,779	2,321
Board of appeals	1,350	850	266	584
Other protective services	600	600	600	0
	<u>190,625</u>	<u>160,510</u>	<u>152,347</u>	<u>8,163</u>
Public works:				
Drains at large	2,000	2,200	2,148	52
Civic betterment	12,000	8,000	8,000	0
Roads	54,500	52,100	51,343	757
	<u>68,500</u>	<u>62,300</u>	<u>61,491</u>	<u>809</u>
Recreation and culture:				
Recreation	750	250	250	0
Library	18,700	26,150	26,102	48
	<u>19,450</u>	<u>26,400</u>	<u>26,352</u>	<u>48</u>
Other:				
Social security	22,000	22,000	21,426	574
Pension	20,000	23,125	25,304	(2,179)
Tax tribunal refund	0	2,800	605	2,195
Insurance and bonds	42,500	31,000	30,925	75
	<u>84,500</u>	<u>78,925</u>	<u>78,260</u>	<u>665</u>
Total Expenditures	<u>696,325</u>	<u>660,127</u>	<u>635,351</u>	<u>24,776</u>
Excess (Deficiency) of Revenues Over Expenditures	5,175	78,393	200,238	121,845
Other Financing Sources (Uses)				
Operating transfers out	<u>0</u>	<u>0</u>	<u>(50,000)</u>	<u>(50,000)</u>
Net Change in Fund Balance	5,175	78,393	150,238	71,845
Fund Balance - Beginning of year	<u>385,547</u>	<u>385,547</u>	<u>474,276</u>	<u>88,729</u>
Fund Balance - End of year	<u>\$390,722</u>	<u>\$463,940</u>	<u>\$624,514</u>	<u>\$160,574</u>

TOWNSHIP OF DUNDEE

*Fire Millage Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$268,000	\$268,000	\$288,926	\$20,926
Interest	<u>1,000</u>	<u>5,000</u>	<u>5,311</u>	<u>311</u>
Total Revenues	269,000	273,000	294,237	21,237
Expenditures				
Public safety:				
Fire protection:				
Capital outlay	179,781	179,781	174,020	5,761
Tax tribunal refund	<u>0</u>	<u>222</u>	<u>222</u>	<u>0</u>
Total Expenditures	<u>179,781</u>	<u>180,003</u>	<u>174,242</u>	<u>5,761</u>
Net Change in Fund Balance	89,219	92,997	119,995	26,998
Fund Balance - Beginning of year	<u>276,115</u>	<u>276,115</u>	<u>261,643</u>	<u>(14,472)</u>
Fund Balance - End of year	<u><u>\$365,334</u></u>	<u><u>\$369,112</u></u>	<u><u>\$381,638</u></u>	<u><u>\$12,526</u></u>

TOWNSHIP OF DUNDEE

Meunwell/Eggert Road Water Debt Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special assessments	\$28,500	\$28,500	\$16,335	(\$12,165)
Interest	<u>1,900</u>	<u>7,450</u>	<u>19,320</u>	<u>11,870</u>
Total Revenues	30,400	35,950	35,655	(295)
Expenditures				
Debt Service:				
Bond principal	20,000	20,000	20,000	0
Bond interest	14,365	14,365	14,365	0
Other	<u>0</u>	<u>250</u>	<u>225</u>	<u>25</u>
Total Expenditures	<u>34,365</u>	<u>34,615</u>	<u>34,590</u>	<u>25</u>
Net Change in Fund Balance	(3,965)	1,335	1,065	(270)
Fund Balance - Beginning of year	<u>178,801</u>	<u>178,801</u>	<u>200,801</u>	<u>22,000</u>
Fund Balance - End of year	<u><u>\$174,836</u></u>	<u><u>\$180,136</u></u>	<u><u>\$201,866</u></u>	<u><u>\$21,730</u></u>

TOWNSHIP OF DUNDEE

Dixon Road Water Debt Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special assessments	\$22,715	\$22,715	\$17,173	(\$5,542)
Interest	770	3,485	11,168	7,683
Total Revenues	23,485	26,200	28,341	2,141
Expenditures				
Debt Service:				
Bond principal	15,000	15,000	15,000	0
Bond interest	9,750	10,000	9,734	266
Other	225	225	225	0
Total Expenditures	24,975	25,225	24,959	266
Net Change in Fund Balance	(1,490)	975	3,382	2,407
Fund Balance - Beginning of year	100,272	100,272	114,291	14,019
Fund Balance - End of year	<u>\$98,782</u>	<u>\$101,247</u>	<u>\$117,673</u>	<u>\$16,426</u>

TOWNSHIP OF DUNDEE

Irish/Meenwell Road Water Debt Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special assessments	\$40,347	\$40,347	\$21,536	(\$18,811)
Interest	<u>1,057</u>	<u>5,182</u>	<u>24,197</u>	<u>19,015</u>
Total Revenues	41,404	45,529	45,733	204
Expenditures				
Debt Service:				
Bond principal	30,000	30,000	30,000	0
Bond interest	20,130	20,130	20,130	0
Other	<u>0</u>	<u>258</u>	<u>250</u>	<u>8</u>
Total Expenditures	<u>50,130</u>	<u>50,388</u>	<u>50,380</u>	<u>8</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,726)	(4,859)	(4,647)	212
Other Financing Sources (Uses)				
Operating transfers in	<u>0</u>	<u>2,032</u>	<u>2,032</u>	<u>0</u>
Net Change in Fund Balance	(8,726)	(2,827)	(2,615)	212
Fund Balance - Beginning of year	<u>80,088</u>	<u>80,088</u>	<u>200,288</u>	<u>120,200</u>
Fund Balance - End of year	<u><u>\$71,362</u></u>	<u><u>\$77,261</u></u>	<u><u>\$197,673</u></u>	<u><u>\$120,412</u></u>

TOWNSHIP OF DUNDEE

*Wells Road Water Debt Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special assessments	\$25,000	\$25,000	\$14,848	(\$10,152)
Interest	296	4,196	18,288	14,092
Total Revenues	25,296	29,196	33,136	3,940
Expenditures				
Debt Service:				
Bond principal	15,000	15,000	15,000	0
Bond interest	12,860	13,080	13,074	6
Total Expenditures	27,860	28,080	28,074	6
Excess (Deficiency) of Revenues Over Expenditures	(2,564)	1,116	5,062	3,946
Other Financing Sources (Uses)				
Operating transfers in	0	2,039	2,039	0
Net Change in Fund Balance	(2,564)	3,155	7,101	3,946
Fund Balance - Beginning of year	43,869	43,869	139,187	95,318
Fund Balance - End of year	<u>\$41,305</u>	<u>\$47,024</u>	<u>\$146,288</u>	<u>\$99,264</u>

TOWNSHIP OF DUNDEE

Road Millage Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$346,500	\$346,500	\$372,875	\$26,375
Interest income	20,000	22,550	30,813	8,263
Total Revenues	366,500	369,050	403,688	34,638
Expenditures				
Capital projects:				
Roads	225,000	270,000	261,045	8,955
Tax tribunal refund	0	452	452	0
Total Expenditures	225,000	270,452	261,497	8,955
Net Change in Fund Balance	141,500	98,598	142,191	43,593
Fund Balance - Beginning of year	684,702	684,702	695,946	11,244
Fund Balance - End of year	\$826,202	\$783,300	\$838,137	\$54,837

TOWNSHIP OF DUNDEE

Nonmajor Governmental Funds Combining Balance Sheet March 31, 2008

	Special Revenue Funds		
	Liquor Law Enforcement	Improvement Revolving	Cemetery Perpetual Care
Assets			
Cash and cash equivalents	\$2,094	\$119,302	\$16,293
Certificate of deposit	0	127,967	0
Total Assets	<u>\$2,094</u>	<u>\$247,269</u>	<u>\$16,293</u>
Total Liabilities and Fund Balances			
Liabilities			
Due to other funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Liabilities	0	0	0
Fund Balances			
Reserved for cemetery care	0	0	16,293
Reserved for Leib Cemetery	0	0	0
Unreserved - undesignated	<u>2,094</u>	<u>247,269</u>	<u>0</u>
Total Fund Balances	<u>2,094</u>	<u>247,269</u>	<u>16,293</u>
Total Liabilities and Fund Balances	<u>\$2,094</u>	<u>\$247,269</u>	<u>\$16,293</u>

<u>Permanent Fund</u>	
<u>Leib Cemetery</u>	<u>Total Nonmajor Governmental Funds</u>
\$245	\$137,934
7,000	134,967
<u>\$7,245</u>	<u>\$272,901</u>
<u>\$470</u>	<u>\$470</u>
470	470
0	16,293
6,775	6,775
0	249,363
<u>6,775</u>	<u>272,431</u>
<u>\$7,245</u>	<u>\$272,901</u>

TOWNSHIP OF DUNDEE

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Year Ended March 31, 2008

	Special Revenue Funds		
	Liquor Law Enforcement	Improvement Revolving	Cemetery Perpetual Care
Revenues			
Licenses and permits	\$0	\$0	\$300
State grants	697	0	0
Interest	0	7,189	356
Total Revenues	697	7,189	656
Expenditures			
General government	0	0	4,105
Public safety	517	0	0
Total Expenditures	517	0	4,105
Excess (Deficiency) of Revenues Over Expenditures	180	7,189	(3,449)
Other Financing Sources (Uses)			
Operating transfers in	0	50,000	0
Operating transfers out	0	0	0
Total Other Financing Sources (Uses)	0	50,000	0
Net Change in Fund Balances	180	57,189	(3,449)
Fund Balances - Beginning of year	1,914	190,080	19,742
Fund Balances - End of year	\$2,094	\$247,269	\$16,293

Capital Projects Funds		Permanent	
Irish / Meanwell Road Water Construction	Wells Road Water Construction	Leib Cemetery	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$300
0	0	0	697
9	9	339	7,902
9	9	339	8,899
0	0	495	4,600
0	0	0	517
0	0	495	5,117
9	9	(156)	3,782
0	0	0	50,000
(2,032)	(2,039)	0	(4,071)
(2,032)	(2,039)	0	45,929
(2,023)	(2,030)	(156)	49,711
2,023	2,030	6,931	222,720
\$0	\$0	\$6,775	\$272,431

TOWNSHIP OF DUNDEE

*Liquor Law Enforcement Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
State grants:				
Liquor license fees	\$650	\$700	\$697	(\$3)
Expenditures				
Public safety:				
Inspection fees	<u>580</u>	<u>580</u>	<u>517</u>	<u>63</u>
Net Change in Fund Balance	70	120	180	60
Fund Balance - Beginning of year	<u>490</u>	<u>490</u>	<u>1,914</u>	<u>1,424</u>
Fund Balance - End of year	<u><u>\$560</u></u>	<u><u>\$610</u></u>	<u><u>\$2,094</u></u>	<u><u>\$1,484</u></u>

TOWNSHIP OF DUNDEE

Improvement Revolving Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$1,000	\$2,675	\$7,189	\$4,514
Expenditures				
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,000	2,675	7,189	4,514
Other Financing Sources (Uses)				
Operating transfers in	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>
Net Change in Fund Balance	1,000	2,675	57,189	54,514
Fund Balance - Beginning of year	<u>181,526</u>	<u>181,526</u>	<u>190,080</u>	<u>8,554</u>
Fund Balance - End of year	<u>\$182,526</u>	<u>\$184,201</u>	<u>\$247,269</u>	<u>\$63,068</u>

TOWNSHIP OF DUNDEE

*Perpetual Care Cemetery Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$500	\$500	\$300	(\$200)
Interest	500	525	356	(169)
Total Revenues	1,000	1,025	656	(369)
Expenditures				
General government: Cemetery	4,000	4,105	4,105	0
Net Change in Fund Balance	(3,000)	(3,080)	(3,449)	(369)
Fund Balance - Beginning of year	19,485	19,485	19,742	257
Fund Balance - End of year	<u>\$16,485</u>	<u>\$16,405</u>	<u>\$16,293</u>	<u>(\$112)</u>

TOWNSHIP OF DUNDEE

Irish /Meanwell Road Water Construction Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2008

	Budgeted Amounts			Positive (Negative) Budget
	Original	Final	Actual	
Revenues				
Interest income	\$20	\$20	\$9	(\$11)
Expenditures				
Capital projects:				
Water district	0	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	20	20	9	(11)
Other Financing Sources				
Operating transfers out	0	(2,032)	(2,032)	0
Net Change in Fund Balance	20	(2,012)	(2,023)	(11)
Fund Balance - Beginning of year	2,050	2,050	2,023	(27)
Fund Balance - End of year	<u>\$2,070</u>	<u>\$38</u>	<u>\$0</u>	<u>(\$38)</u>

TOWNSHIP OF DUNDEE

Wells Road Water Construction Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2008

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
Revenues				
Interest income	\$20	\$20	\$9	(\$11)
Expenditures				
Capital projects:				
Water district	0	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	20	20	9	(11)
Other Financing Sources				
Operating transfers out	0	(2,039)	(2,039)	0
Net Change in Fund Balance	20	(2,019)	(2,030)	(11)
Fund Balance - Beginning of year	2,050	2,050	2,030	(20)
Fund Balance - End of year	\$2,070	\$31	\$0	(\$31)

TOWNSHIP OF DUNDEE

*Leib Cemetery Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$200	\$300	\$339	\$39
Expenditures				
General government: Cemetery	<u>500</u>	<u>500</u>	<u>495</u>	<u>5</u>
Net Change in Fund Balance	(300)	(200)	(156)	(44)
Fund Balance - Beginning of year	<u>7,246</u>	<u>7,246</u>	<u>6,931</u>	<u>(315)</u>
Fund Balance - End of year	<u>\$6,946</u>	<u>\$7,046</u>	<u>\$6,775</u>	<u>(\$359)</u>

TOWNSHIP OF DUNDEE

Agency Fund Statement of Changes in Assets and Liabilities Year Ended March 31, 2008

	Balance March 31, 2007	Additions	Deductions	Balance March 31, 2008
Assets				
Cash	\$3,404	\$15,094,952	\$15,094,736	\$3,620
Liabilities				
Due to other governmental units	\$2,963	\$1,309,664	\$1,311,324	\$1,303
Due to taxing units	441	13,785,288	13,783,412	2,317
Total Liabilities	\$3,404	\$15,094,952	\$15,094,736	\$3,620



**COOLEY HEHL
WOHLGAMUTH & CARLTON**
P.L.L.C. Certified Public Accountants

James R. Cooley, CPA
David K. Hehl, CPA
Robert W. Wohlgamuth, CPA
Peter H. Carlton, CPA
Matthew D. Hehl, CPA
Debrah A. Sabo, CPA
Nicklaus W. Calkins, CPA

One South Monroe Street • Monroe, Michigan 48161-2281
Telephone: (734) 341-7200 • Fax: (734) 341-2637
www.chwcpa.com

Members:
American Institute of Certified Public Accountants
Michigan Association of Certified Public Accountants
Division for CPAs of the American Institute of
Certified Public Accountants

Township Board
Township of Dundee
179 Main Street
Dundee, Michigan 48131

In planning and performing our audit of the financial statements of the Township of Dundee as of and for the year ended March 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiency constitutes a material weakness.

Financial Statements

The Township of Dundee does not have procedures in place to prepare financial statements in accordance with accounting principles generally accepted in the United States of America, including procedures to record accruals for revenues and expenditures, to track changes in capital assets, and to present required financial statement disclosures. As is the case with many smaller and medium-sized entities, the government has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes. As a result of this condition, the government lacks internal controls over the preparation of its financial statements in accordance with GAAP.

Township Board
Township of Dundee

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This communication is intended solely for the information and use of the Board members, management, and others within the Township of Dundee and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script, reading "Codrey Hehl Wohlgenuth & Carlton".

June 6, 2008